



# Innovation quick wins – a guide to some practical tools

## *A short guide to widely used innovation tools*

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Business and academic media are awash with theories about what organizations should do to improve their innovation performance. Indeed, at Arthur D. Little we have published extensively on the subject, both in this magazine and in some of the business world's most widely used textbooks<sup>1</sup>. What most experts will tell you, including ourselves, is that there's no instant formula for success. Effective innovation requires a comprehensive approach, starting with strategy, supported by strong processes, an efficient organization and resources, and an innovative culture. And it can take a long time to achieve.

That's all very well, but what if you need to do something straight-away? What if you don't have the time, resource or the mandate to create new innovation strategies, set up new structures or engineer new processes? Fortunately there is a wide range of practical tools and techniques that can help achieve some innovation quick wins, raise the profile of innovation and start to change the culture, even if they don't on their own provide the complete solution. Many of these tools are well known and some less so – but how do you decide which ones to use, and how can you make sure they work?

In this article we provide a brief round-up of some widely used tools both old and new, including their strengths and limitations, key success factors and when and where to use them.

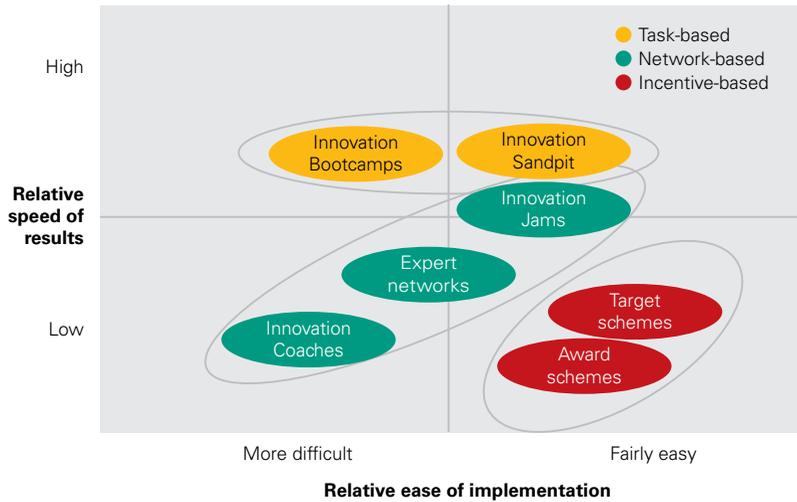
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<sup>1</sup> Arthur D. Little's pioneering books such as "Third Generation R&D"; "Managing Technology for Corporate Success"; "The Innovation Premium" and "Product Juggernauts" are to be found in many CTOs' bookcases

## Some commonly used quick-win innovation tools

Table 1  
**Impact of commonly used quick-win innovation tools**

Source: Arthur D. Little analysis



The seven tools we have covered here (shown above) have all been fairly widely used in industry and have a good track record of success. They all share the characteristics of being fairly tangible in terms of what they are and what they do, and they have broad applicability (i.e. they are not just tools for a specific part of the innovation process, such as ideation tools or portfolio tools). They are able to be implemented in most organizations without the need for extensive preparatory groundwork or adaptation.

### Selecting the right tools

When selecting the right tools to use and in what sequence, it is useful to consider the balance of the objectives you are seeking and how quickly you need to show some results. For example:

- **Task-based tools**, such as bootcamps and sandpits, are useful if your priority is to show some quick, tangible results, especially if there are some known areas where you have challenges to be addressed.

- **Network-based tools**, such as coaches, jams and expert networking tools, are useful if your main problem is engaging people in different parts of the organization, or trying to kick-start culture change in a large decentralized corporation.
- **Incentive-based tools**, such as award schemes and targets, can also be strong drivers of behavior, although they tend to be harder to focus, may have unwanted side-effects, and take somewhat longer to achieve results.

Of course, none of these are mutually exclusive and often you can achieve a significant impact through a combination of measures. Below we have provided some more background on each of these tools including strengths, limitations and key success factors.

### Task-based tools

#### *Innovation Bootcamp*

An Innovation Bootcamp is an immersive experience in which small teams of managers are tasked with developing and then pitching a new product, service or process idea to a senior management “Dragon’s Den<sup>2</sup>”-style panel. Typically the bootcamp takes place over a period of two to three weeks, with team members taken 100 % offline from their normal jobs, usually in an offsite location. With the help of a coach or trainer, the teams are provided with a brief and encouraged to think creatively to generate ideas, use systematic tools for screening and evaluation, then to build an outline business case and present it to the senior panel. The aim is usually to end up with at least one of two cases viable enough to be given the green light for further development. Many companies use bootcamps, although Alcatel Lucent was one of the best-known pioneers. From the use of bootcamps, Alcatel has seen two innovations reach the market – Mobile Wallet and the video analytics service, AppGlide.



Picture by StudioloMagica - Fotolia

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<sup>2</sup> Dragon’s Den is a well-known television format in which would-be entrepreneurs pitch business ideas to a panel of wealthy investors

<b>Strengths</b>	<b>Limitations</b>
<ul style="list-style-type: none"><li>• Engaging, intensive experience that has the potential to excite and inspire</li><li>• Should achieve real results with tangible business value</li><li>• Promotes entrepreneurship</li></ul>	<ul style="list-style-type: none"><li>• Only involves a small group of staff</li><li>• Cost of taking managers offline</li><li>• Hard to conduct very frequently</li></ul>
<b>Key success factors</b>	
<ul style="list-style-type: none"><li>• Have a mix of skills and experience in the team</li><li>• Make teams cross-functional or cross-divisional</li><li>• Senior leaders need to support strongly and be prepared to invest</li><li>• Outside experts can help kickstart content and/or run process</li></ul>	



### *Innovation Sandpit*

The Innovation Sandpit is a team-based exercise to develop solutions to problems that brings together participants from across functions and disciplines, including external organizations. Through an intensive four-to-five-day workshop, there is a deepening understanding of the challenge, a clear definition of the problem and generation of a suite of prioritized, peer-reviewed solutions. This tool promotes more radical innovation thinking and solutions by drawing on the diverse backgrounds of the participants to address a defined challenge. Conceived by the UK Research Council EPS-RC, several sandpits have been delivered by a range of organizations, with successes in fostering new collaborations and research proposals on tackling real-life health and energy issues.

Strengths	Limitations
<ul style="list-style-type: none"> <li>Engages multi-disciplinary and multi-functional teams</li> <li>Helps to redefine the problem and challenges</li> <li>Enables the “building” of ideas as each participant adds to the solution</li> </ul>	<ul style="list-style-type: none"> <li>Not every challenge can be solved with this tool. Challenges must be holistic and support input from across disciplines</li> <li>Not everyone is suited to being involved in a sandpit</li> </ul>
Key success factors	
<ul style="list-style-type: none"> <li>Participants must be free-thinking, collaborative in nature and work well in a team</li> <li>Funding must be ready and available for the outcome or participants become demotivated in subsequent sandpits</li> </ul>	

### **Network-based tools**

#### *Innovation Coaches*

Many companies have created networks of Innovation Coaches (also referred to as Champions). Innovation Coaches are intended to engage different parts of the organization in innovation-oriented activities such as idea management (generating, enriching, connecting), coaching in good innovation practice, implementation

of award schemes and exchange of knowledge and insights. The Innovation Coach role is normally part-time (e.g. 20-30 %), and is usually undertaken by well-regarded middle managers with good people/networking skills. For example, among many other companies, Hewlett-Packard has used Innovation Coaches/Champions to promote innovation and provide access to the opportunities that exist within its workforce.

Strengths	Limitations
<ul style="list-style-type: none"> <li>• Helps to diffuse innovation culture through large organizations</li> <li>• Provides a network of local focal points to enable and drive implementation of innovation-related activities</li> </ul>	<ul style="list-style-type: none"> <li>• Creating the role itself will only have limited effect unless there is a well-managed innovation program to be implemented</li> <li>• More suitable for large than small organizations</li> </ul>
Key success factors	
<ul style="list-style-type: none"> <li>• Need enthusiastic coaches with the right experience, e.g. 5-15 years in the company</li> <li>• Select coaches with excellent networking, communication, creativity and analytical skills</li> <li>• Train coaches well in best-practice innovation management and change management</li> <li>• Keep the network active through frequent initiatives and activities</li> </ul>	

*Innovation Jams*

Innovation Jams are time-limited, web-based, large-scale cross-sector discussions about specific hot topics, likened to a musical jam session in which the participants react to and spark off each other’s contributions. Typically Innovation Jams are conducted internally within large corporations, and are meant to be quite intensive, normally lasting only a few days. They use blog-style IT platforms and the exchanges are moderated. For example, Siemens has used ‘Idea Jams’ quite extensively to address topics such as ICT and anti-piracy, with initial pilots attracting hundreds of participants and contributions.

Strengths	Limitations
<ul style="list-style-type: none"> <li>Actively involves cross-functional, cross-regional staff in innovation activities</li> <li>Helps to build networks and strengthen knowledge sharing</li> <li>Generates valuable outputs in terms of new ideas and projects</li> </ul>	<ul style="list-style-type: none"> <li>Needs commitment to take ideas forward and to communicate progress</li> <li>Topics must be relevant, challenging and engaging</li> <li>More suitable for large than small organizations</li> </ul>
Key success factors	
<ul style="list-style-type: none"> <li>Ensuring knowledge generated from the discussions is collected and actions taken, visibly</li> <li>Integrating the Jam approach into the innovative culture of the company – repeating it several times per year</li> <li>Contributors (especially experts) recognized with increased visibility</li> </ul>	

*Expert networks*

One common barrier to innovation is the inability to capture and integrate isolated pockets of expertise around the organization to solve problems or create new opportunities. To address this, corporations have been increasingly applying social media tools to strengthen networks of internal and external experts. For example, Shell’s International Global Network connects 40,000 members, with every third reply being an expert recommendation. Like many companies, Shell also has a wiki-style knowledge database and is using an enterprise social networking solution (in this case Yammer) to maximize connectivity and speed of response. Tata and Xerox are other examples of the many large companies that have adopted similar solutions.

Strengths	Limitations
<ul style="list-style-type: none"> <li>• Easy access to expert knowledge for staff around the world</li> <li>• Drives transfer of information rather than just capture</li> <li>• Exploits the growing usage of social media by staff</li> <li>• Provides fast response and dialogue</li> </ul>	<ul style="list-style-type: none"> <li>• Is only as good as the usage and the quality of the discussions</li> <li>• More suitable for large than small organizations</li> <li>• Is not a substitute for personal contact and team-working</li> </ul>
Key success factors	
<ul style="list-style-type: none"> <li>• Effective moderation to ensure that urgent matters are dealt with, discussions are closed out, experts are engaged and successes are publicized</li> <li>• Integration with other knowledge management and learning activities to attract engagement and avoid dilution</li> </ul>	

## Incentive-based tools

### *Award schemes*

Innovation award schemes are set up to encourage staff innovation efforts through some form of publicized reward. Typically they are either recognition-based (i.e. aimed at recognizing individual “good innovation behavior”) or results-based (i.e. aimed at rewarding achievement of business-related outcomes through innovation, often through a team rather than an individual). Most award schemes include some combination of monetary prizes and public recognition and celebration. For example, P&G and ThyssenKrupp have focused on recognition-based award schemes (e.g. special CEO awards), while GE and BASF have focused more on results-based schemes with both monetary and non-monetary awards based on commercial returns.



### Strengths

- Helps to publicize the innovation message
- Can be tailored to focus on important company priorities
- Can be used to promulgate examples of “good innovation behavior”

### Limitations

- Needs long-term senior commitment, otherwise can be seen as “window-dressing” by staff
- Only limited number of staff participate
- May actually increase the perception that innovation is an “extra” outside the day job

### Key success factors

- Ensure that the scheme is properly, systematically and transparently managed
- Public recognition is often more effective than monetary reward
- Link to business goals and award substantial innovations only

### *Target schemes*

This refers to the practice of setting corporate, team and individual innovation-related targets, and measuring progress against them using suitable metrics. While this in itself is a broad topic, in essence targets may be set for input activities (e.g. the number of introduced innovation ideas per employee or from an external source, total innovation investment [FTE + funding]), process activities (e.g. expected value of new business project pipeline [MEUR], percentage of projects on time and within budget) and outputs/outcomes (e.g. innovation-based new sales ratio [%], total innovation return [product / business ROI + savings ROI]). Provided that it is feasible and straightforward to gather the required data for the metrics, innovation target-setting can be accomplished relatively easily.

Strengths	Limitations
<ul style="list-style-type: none"> <li>• Provides direct and visible measures of innovation performance</li> <li>• Can be linked to bonus or incentive payments, for example as part of a Balanced Scorecard</li> <li>• Demonstrates senior commitment to innovation</li> </ul>	<ul style="list-style-type: none"> <li>• New systems or processes may need to be developed to capture the metric data</li> <li>• Care needs to be taken that metrics do not cause unwanted side-effects (e.g. gaming to meet targets)</li> <li>• Staff need to be able to directly influence the achievement of the targets</li> </ul>
Key success factors	
<ul style="list-style-type: none"> <li>• Use a suitable balance between input/process/output metrics</li> <li>• Ensure the metrics are suitable for your business rather than applying the same metrics from “leading innovators”</li> </ul>	

### What next for quick-win innovation tools?

So what of the future for quick-win innovation tools? Clearly there is currently much activity around further development of social networking approaches to support innovation efforts, including much greater involvement of customers and crowds. In our recent global survey of nearly 100 chief technology officers<sup>3</sup> to gauge their views on the future of innovation management, “enhanced web and social media” was voted as one of the top topics for the next few years. The use of game-playing or gamification is also increasingly being applied in conjunction with networking tools and award schemes for innovation processes – for example, creating idea-trading platforms, points systems and other competition features to attract more engagement from staff, customers and the crowd. The financial services and technology sectors are especially active in this area, for example Citi, ABN Amro and Cisco. Finally, there is continuing work on developing better tools to transform culture, diagnosis, monitoring and improvement, though it remains open to question whether any tool can really achieve truly rapid sustainable culture change.

<sup>3</sup> For more information go to [www.adlittle.com/innovation\\_excellence](http://www.adlittle.com/innovation_excellence)

## In conclusion

While there are certainly no shortcuts to innovation excellence, quick-win tools can play a useful role in building momentum and demonstrating results. It is perhaps tempting for companies to focus straightaway on the more “sexy” end of the spectrum – such as novel creativity and ideation techniques, social media tools, crowdsourcing and the like. These certainly have their place. But companies should make sure they have not overlooked the more established tools like coaches, bootcamps and incentives, which, although not new, have a proven track record – and often involve a great deal more face-to-face interaction than the virtual tools.

Leading companies are using all these tools – and more – in combination, all within the framework of a broader innovation strategy led from the top of the company, supported by an effective set of innovation management processes and an aligned organization. Unfortunately, there is no substitute for repeated and sustained effort, with a constant stream of fresh approaches and ideas. Ultimately, innovation excellence is all about people, not systems.

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